

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7301

BILL NUMBER: HB 1432

NOTE PREPARED: Mar 28, 2005

BILL AMENDED:

SUBJECT: Withdrawal From IURC Jurisdiction.

FIRST AUTHOR: Rep. Lutz

FIRST SPONSOR: Sen. Merritt

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill allows a nonprofit corporation whose membership includes one or more rural electric membership corporations to withdraw from the jurisdiction of the Utility Regulatory Commission (IURC).

Effective Date: Upon passage.

Explanation of State Expenditures: Allowing nonprofit corporations whose memberships include one or more REMCs to withdraw themselves from IURC's jurisdiction could reduce the IURC's administrative burden. However, the fiscal impact is expected to be minimal.

Explanation of State Revenues: There should be no fiscal impact to revenue received by the IURC because such corporations would still be required to pay the public utility fee that supports the IURC's operating budget.

Background on IURC and Office of the Utility Consumer Counselor Funding (OUCC): The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2004, fees from the utilities and fines generated approximately \$10.6M.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IURC.

Local Agencies Affected:

Information Sources:

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